

## Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 00375 211317Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-07 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07  
SP-02 SS-15 STR-06 TRSE-00 ACDA-12 PA-01 PRS-01  
/127 W

-----101416 211753Z /41

R 211235Z JAN 78  
FM AMEMBASSY KUWAIT  
TO SECSTATE WASHDC 9970  
INFO AMEMBASSY ABU DHABI  
USINT BAGHDAD POUCH  
AMEMBASSY DOHA  
AMEMBASSY JIDDA  
AMEMBASSY LONDON  
AMEMBASSY TEHRAN

C O N F I D E N T I A L KUWAIT 0375

E.O. 11652: GDS  
TAGS: EFIN, OPEC, ENRG  
SUBJECT: ALLEGED MOVES TO UNPEG OIL PRICES FROM DOLLAR

1. KUWAIT PRESS PREPORTS THAT KUWAIT IS PUSHING FOR MOVE FROM DOLLAR TO SDR AS UNIT OF ACCOUNT FOR OIL PRICING ARE FALSE AND SHOULD BE IGNORED. FOLLOWING JAN. 11 PRESS PREPORTS THAT SAUDI ARABIA MIGHT PRESS FOR SWITCH FROM DOLLAR TO SDR FOR OIL PRICING, KUWAIT PAPERS JAN. 15 REPORTED OIL MINISTRY ASSISTANT UNDERSECRETARY FOR ECONOMIC AFFAIRS DR. MUHAMMAD NASSEER AS SAYING THAT KUWAIT HAD BEGUN CONTACTS WITH OTHER OPEC MEMBERS STATES "URGING THEM TO RELINQUISH THE DOLLAR" AND SWITCH TO THE SDR AS THE UNIT OF ACCOUNT FOR OIL TRANSACTIONS. ONE PAPER (AL WATAN) REFERRED TO "KUWAIT'S PRESENT EFFORTS TO REPLACE THE AMERICAN DOLLAR AS THE BASIS FOR CALCULATING OIL REVENUES TO PROTECT OIL REVENUES FROM DECLINE".

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 00375 211317Z

WM ON JAN. 17, AFTER SAUDI DENIAL OF MVE AWAY FROM DOLLAR, DR. NASSEER "CLARIFIED" HIS REMARKS IN RESPONSE TO OUR QUERY AS FOLLOWS: KUWAIT HAS NOT CALLED FOR ANY SPECIAL MEETING WITHIN OPEC TO DISCUSS A MOVE AWAY FROM THE DOLLAR, NOR IS IT URGING SUCH A MOVE WITHIN OPEC. HOWEVER, IT IS CONCERNED BY THE FALL OF THE DOLLAR, AND IS INVESTIGATING WAYS IT CAN PROTECT ITS OIL REVENUE. THE DOLLAR PROBLEM

RELATES TO THE OIL PRICE QUESTION AND IS LIKELY TO BE  
DISCUSSED AT THE NEXT REGULAR OPEC MEETING IN JUNE.

3. COMMENT: OVER PAST YEAR AND A HALF KUWAIT PRESS HAS  
REGULARLY COME OUT WITH ERRONEOUS OR MISLEADING STORIES  
QUOTING DR. NASSEER AS THE SOURCE. IT MAY BE THAT DR.  
NASSEER CHANGED HIS LINE AFTER SAUDIS ISSUED THEIR DENIAL.  
WHATEVER THE CASE, GIVEN CONSISTENT GOK PATTERN OF NOT  
GETTING OUT IN FRONT ON OPEC OR OTHER MATTERS AND RECENT  
ASSURANCES BY NASSEER'S SUPERIOUS TO US THAT KUWAIT WOULD  
NOT ABANDON DOLLAR AS OIL PRICE UNIT OF ACCOUNT, KUWAIT  
PRESS REPORTS CITED ABOVE SHOULD BE DISCOUNTED.  
MAESTRONE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, DOLLAR, PRESS COMMENTS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978KUWAIT00375  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780033-0172  
**Format:** TEL  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780137/aaaabfd.tel  
**Line Count:** 75  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** cc0d25e1-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 25 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3735174  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ALLEGED MOVES TO UNPEG OIL PRICES FROM DOLLAR  
**TAGS:** EFIN, ENRG, KU, OPEC  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/cc0d25e1-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014